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What to do if you face foreclosure

Unexpected troubles like a lay off, illness or death in the family can make it hard to keep up with mortgage payments, and homeowners may find themselves facing foreclosure. Sometimes, loan rates are set up to adjust to higher and higher rates, catching unsuspecting consumers off guard.

Foreclosures hurt families, communities, and our entire economy. It's in all of our interest to help homeowners find a way out of foreclosure when possible.

If you face foreclosure, keep the following tips in mind to avoid scams and frauds:

- Beware of so-called foreclosure assistance or rescue companies that require payment up front before they "help" you. It's illegal to charge an upfront fee for foreclosure assistance services in North Carolina.
- Steer clear of foreclosure assistance or rescue companies that want you to make your mortgage payment to them, or who tell you not to talk to your mortgage company or to an attorney.
- Watch out for so-called real estate investors, who promise to pay off your mortgage if you sign over the deed to your property, but not the mortgage. The investor then rents your home back to you or to a tenant but doesn't make mortgage payments and the bank forecloses. Remember, just signing over your deed doesn't get you out of the responsibility for paying your mortgage.
- Other scam tip offs: the schemer refuses to put his or her promises in writing, pressures you to sign paperwork you haven't had a chance to read thoroughly, or offers to fill out the paperwork for you.

For free help dealing with foreclosure, call the HOPE hotline at 888-995-HOPE. You can call the hotline toll-free 24 hours a day, seven days a week for free counseling on options to avoid unnecessary foreclosure. The hotline can help connect you with non-profit housing and credit counselors in your local community.

To report a foreclosure scam, contact Attorney General Roy Cooper's Consumer Protection Division free within North Carolina at 1-877-5-NO-SCAM.